CITY OF GRANITE FALLS Snohomish County, Washington January 1, 1991 Through December 31, 1992

Schedule Of Findings

1. <u>City Officials Should Comply With State Bid Laws</u>

During 1992, the City of Granite Falls purchased and installed water meters. The water meters were purchased from a vendor separate from the contractor who installed them. Total expenditures for water meters purchased in 1992 were \$31,730. Total expenditures for the installation of the water meters were \$61,943. The city did not formally bid either contract as required by RCW 35.23.352.

Noncharter code cities are governed by RCW 35A.40.200 for general laws relating to public works and contracts. RCW 35A.40.200 refers to RCW 35.23.352 and RCW 39.04.010, for the purchase of equipment and contracting for public works, respectively.

The purchase of water meters is subject to the formal bid procedures in RCW 35.23.352 which states in part:

(6) Any purchase of supplies, material, equipment or services other than professional services, except for public work or improvement, where the cost thereof exceeds seven thousand five hundred dollars shall be made upon call for bids

According to RCW 39.04.010, the installation of water meters constitutes a public work and was subject to the procedures in RCW 35.23.352 which states in part:

(1) Any second or third class city . . . may construct any public works, as defined in RCW 39.04.010, by contract or day labor without calling for bids thereof whenever the estimated cost of the work or improvement, including the cost of materials, supplies, and equipment will not exceed the sum of thirty thousand dollars if more than one craft or trade is involved with the public works

Whenever the cost of the public work or improvement, including materials, supplies and equipment, will exceed these figures, the same shall be done by contract. All such contracts shall be let at public bidding upon posting notice calling for sealed bids upon the work. . . .

Failure to bid the above public work and purchase of equipment is a violation of state bid laws.

We recommend that city officials comply with state bid laws.